

PE Titan Holding II Limited

Annual Report and Financial Statements

For the year ended December 31, 2019

UK Registration Number: 11243295



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Directors and Advisers for the Year Ended December 31, 2019

Directors

Eva Kalawski
Ian Downie
Mary Ann Sigler

Company Secretary

Eva Kalawski

Solicitors

Baker & McKenzie
100 New Bridge Street
London, United Kingdom
EC4V 6JA

Bankers

Comerica Bank
1021 Glendon Avenue
Los Angeles, CA 90024-4595

Registered office

100 New Bridge Street
London, United Kingdom
EC4V 6JA

Registration number

11243295

Directors' Report for the Year Ended December 31, 2019

The directors present their report and the financial statements of the Company for the year ended December 31, 2019. The comparatives are not comparable as 2018 amounts represent the results for the period from March 8, 2018 to December 31, 2018 only.

Principal activities

The principal activities during the year were those of a holding company.

Review of the business

The Company was incorporated in the United Kingdom on March 8, 2018. The Company's primary purpose is that of a holding company to make investments in and loans to PE Titan III Limited, a private company limited by shares incorporated in the United Kingdom ("PE Titan III").

The net income for the year ended December 31, 2019 amounted to \$49.3 million. As at December 31, 2019, the total assets were \$957.6 million and the total liabilities were nil million for total equity of \$957.6 million.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Eva Kalowski
Ian Downie
Mary Ann Sigler

The Company maintained liability insurance, which includes indemnity for its directors and officers, which is a qualifying third-party indemnity provision for the purposes of the Companies Act of 2006 and was in force during the entire financial year and as of the date of approval of the financial statements.

Going concern and liquidity

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the financial statements in accordance with United Kingdom General Accepted Accounting Practice and applicable law. Under Company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

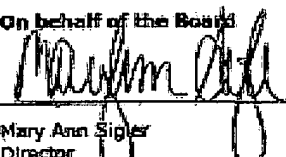
- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable United Kingdom General Accepted Accounting Practice has been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act of 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small companies exemptions

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

On behalf of the Board


Mary Ann Sigler
Director
August 31 2020

Statements of Financial Position
In millions of U.S. dollars

Assets	Note	As at December 31,	
		2019	2018
Current assets			
Cash and cash equivalents	4	\$ 0.2	\$ 0.2
Interest receivable - related party	5	50.6	1.3
Loans receivable - related party	6	-	272.3
Total current assets		\$ 50.8	\$ 273.8
Non-current assets			
Loans receivable - related party	6	634.5	634.5
Investment in subsidiary	7	272.3	-
Total non-current assets		\$ 906.8	\$ 634.5
Total assets		\$ 957.6	\$ 908.3
Liabilities and equity			
Equity			
Ordinary shares	11	715.2	715.2
Share premium	11	191.8	191.8
Retained earnings		50.6	1.3
Total equity		\$ 957.6	\$ 908.3
Total liabilities and equity		\$ 957.6	\$ 908.3

See the accompanying notes to the financial statements.

For the years ending December 31, 2019 and 2018, the Company was entitled to exemption from audit under section 479A of the Companies Act of 2006 related to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act of 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act of 2006 with respect to accounting records and preparation of accounts.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

These financial statements were approved by the Board of Directors on August 31 2020 and were signed on its behalf by:


Mary Ann Stiller, Director

Statements of Total Comprehensive Income

In millions of U.S. dollars

	Note	For the year ended December 31, 2019	For the period from March 8, 2018 to December 31, 2018
Interest income	12	\$ 49.3	\$ 1.3
Income before income taxes		\$ 49.3	\$ 1.3
Net income		\$ 49.3	\$ 1.3
Total comprehensive income, net of tax		\$ 49.3	\$ 1.3
Attributable to:			
Equity holders of PE Titan Holding II Ltd.		49.3	1.3
Total comprehensive income		\$ 49.3	\$ 1.3

See the accompanying notes to the financial statements.

Statements of Changes in Equity

In millions of U.S. dollars and millions of shares

	Note	Ordinary shares		Share Premium	Retained earnings	Total equity
		Shares	Amount			
Balance as at March 8, 2018		-	\$ -	\$ -	\$ -	\$ -
Share issuance at inception	11	100.0	-	-	-	-
Additional shares issued	11	715,246,149.5	715.2	191.8	-	907.0
Net income		-	-	-	1.3	1.3
Balance as at December 31, 2018		715,246,249.5	\$ 715.2	\$ 191.8	\$ 1.3	\$ 908.3
Net income					49.3	49.3
Balance as at December 31, 2019		715,246,249.5	715.2	191.8	50.6	957.6

See the accompanying notes to the financial statements.

Statements of Cash Flows

In millions of U.S. dollars

	Note	For the year ended December 31, 2019	For the period from March 8, 2018 to December 31, 2018
Operating activities			
Net income		\$ 49.3	\$ 1.3
Net change in non-working capital items related to operations:			
Interest receivable - related party	5	(49.3)	(1.3)
Loans receivable - related party	6	272.3	-
Cash outflows from operating activities		\$ 272.3	\$ -
Investing activities			
Loans made to related party, net of repayments	6	-	(906.8)
Investment in subsidiary, net of redemptions	7	(272.3)	-
Cash outflows from investing activities		\$ (272.3)	\$ (906.8)
Financing activities			
Issuance of long-term debt to related party	10	-	916.2
Principal repayment of long-term debt to related party	10	-	(155.8)
Proceeds from issuance of ordinary shares	11	-	146.6
Total cash inflows from financing activities		\$ -	\$ 907.0
Increase in cash and cash equivalents		-	0.2
Cash and cash equivalents, beginning of period		0.2	-
Cash and cash equivalents, end of period	4	\$ 0.2	\$ 0.2

See the accompanying notes to the financial statements.

Notes to the Annual Financial Statements

Year Ended December 31, 2019

In millions of U.S dollars and millions of shares

1. Nature of operations

PE Titan Holding II Limited (the "Company") was incorporated in the United Kingdom on March 8, 2018. The Company is a private company limited by shares. The Company's primary purpose is that of a holding company to make investments in and loans to its subsidiary, PE Titan Holding III Limited, a private company limited by shares incorporated in the United Kingdom ("PE Titan III").

The Company is incorporated under the laws of London, England. Its head office is located at 100 New Bridge Street London, EC4V 6JA, United Kingdom.

2. Basis of preparation

The financial statements have been prepared in accordance with United Kingdom General Accepted Accounting Practice (Financial Reporting Standards ("FRS") 101, *Reduced Disclosure Framework* ("FRS 101")) of the United Kingdom. These are the first financial statements presented under FRS 101.

Management of the Company prepared the financial statements for the year ended December 31, 2019 and for the period from March 8, 2018 to December 31, 2018. The financial statements of the Company are drawn up in millions of US dollars.

The Company has taken advantage of the exemption under section 401 of the *Companies Act* of 2006 not to prepare group accounts as they are prepared by its immediate parent undertaking PE Titan Holding Limited, which is incorporated in the United Kingdom. Group financial statements for PE Titan Holding Limited ("PE Titan") are available from the address detailed in note 16.

3. Significant accounting policies

(A) Investments

The Company accounts for its investments in subsidiaries at cost.

(B) Use of estimates

The preparation of financial statements under International Financial Reporting Standards ("IFRS") requires management to make estimates and assumptions that affect the amounts reported in the financial statements. The most significant assumptions are estimates in determining the fair value of its loans receivable from PE Titan III. Management annually reassess expected credit losses on intercompany receivables.

(C) Standards issued but not yet effective

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for the December 31, 2019 reporting year. The Company has early adopted the applicable accounting standards, amendments and interpretations.

(D) Cash and cash equivalents

Cash and cash equivalents include cash on accounts and short-term investments in term deposits with maturities of three months or less from the date of acquisition and are valued at cost plus accrued interest, which approximates fair value.

(E) Financial instruments

Measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments classified as amortized costs or Fair Value Through the statement of Other Comprehensive Income ("FVTOCI") are included with the carrying amount of such instruments. Transaction costs that are directly attributable to the acquisition or issue of financial instruments classified as fair value through profit or loss ("FVTPL") are recognized immediately in the profit or loss within the statement of total comprehensive income. Financial assets purchased and sold, where the contract requires the asset to be delivered within an established time frame, are recognized on a trade date basis.

Financial assets

The Company classifies its financial assets under its business model in the following measurement categories:

- Those to be measured subsequently at amortized cost; and
- Those to be measured subsequently at either FVTOCI or FVTPL.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. All the entity's financial assets and financial liabilities, except derivatives not within a hedge, are classified as principal and interest and use amortized cost.

Notes to the Annual Financial Statements

Year Ended December 31, 2019

In millions of U.S dollars and millions of shares

Financial assets at amortized cost

Financial assets that meet the following conditions are measured at amortized cost less impairment losses (if any):

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash-flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- The financial asset was not acquired principally for the purpose of selling in the near term or for short-term profit taking (held for trading).

Financial assets at FVTPL

All other financial assets, except equity and debt instruments are remeasured at fair value and classified as FVTPL. The gains or losses, if any, arising on remeasurement of FVTPL are recognized in profit or loss within the statement of comprehensive income.

The method of measurement of instruments in debt instruments will depend on the business model in which the instrument is held. For instruments in equity instruments, it will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity instrument at FVTOCI.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Company has no financial assets with embedded derivatives.

Financial liabilities

Financial liabilities are classified as FVTPL when the financial liability is either held for trading or is designated at FVTPL. Financial liabilities at FVTPL are remeasured in subsequent reporting periods at fair value. Any gains or losses arising on remeasurement of held for trading financial liabilities are recognized in profit or loss within the statement of total comprehensive income. Such gains or losses recognized in profit or loss includes any interest paid on the financial liabilities.

Financial liabilities that are not held for trading and are not designated as FVTPL are measured at amortized cost. The carrying amounts of financial liabilities that are measured at amortized cost are determined based on the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability (or financial asset) and of allocating interest expense (or income) over the expected life of the financial liability (or financial asset).

Long-term borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan.

Borrowings are derecognized from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Impairment

The Company assesses, on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Embedded derivatives

IFRS 9, *Financial Instruments*, requires that under certain conditions, an embedded derivative is separated from its host contract and accounted for as a derivative or the entire contract is to be measured at FVTPL. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a special interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. The Company did not hold any material embedded derivatives as at December 31, 2019 and 2018.

Notes to the Annual Financial Statements

Year Ended December 31, 2019

In millions of U.S dollars and millions of shares

(F) Fair value measurements

The Company measures the fair value of assets and liabilities on a recurring and non-recurring basis in accordance IFRS 13, *Fair Value Measurement* ("IFRS 13"), which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. IFRS 13 establishes a framework for measuring fair value. This guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1

Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date;

Level 2

Observable inputs, other than Level 1 inputs, such as quoted prices for similar assets and liabilities; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3

Inputs that are unobservable.

An asset's or a liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes observable requires judgment by the Company.

(G) Foreign currency translation

The Company's financial statements are presented in U.S. dollars, which is also the Company's functional currency.

Transactions in foreign currencies, if any, are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of certain items that are designated as part of a hedge, which are recognized in Other Comprehensive Income ("OCI") until settled.

(H) Preference shares

Preference shares are classified as equity. If there are sufficient distributable profits and should the Company declare a preference dividend, the preference dividend shall automatically become a debt due and immediately payable on the payment date. The Company shall redeem each preference share on the earlier of: the 20th anniversary of the issue date for the share, the Company giving notice to the preference shareholder, or the preference shareholder giving notice to the Company. On the redemption date, the Company shall pay the preference shareholder the nominal value of the preference share (£0.000001 per share).

(I) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of income taxes, from the proceeds. Where the Company purchases the Company's own equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners as treasury shares until the shares are cancelled or reissued.

Where ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

(J) Income taxes

Current income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income taxes relating to items recognized directly in equity are recognized in equity and not in the statement of total comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income taxes

Deferred income taxes are provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Notes to the Annual Financial Statements

Year Ended December 31, 2019

In millions of U.S dollars and millions of shares

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income taxes relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss.

The Company offsets deferred income tax assets and deferred income tax liabilities if and only if it has a legally enforceable right to set off current income tax assets and current income tax liabilities and the deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, which intend either to settle current income tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred income tax liabilities or assets are expected to be settled or recovered.

4. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	As at December 31,	
	2019	2018
Demand deposits held with banks	\$ 0.2	\$ 0.2
Total cash and cash equivalents	\$ 0.2	\$ 0.2

5. Interest receivable – related party

Interest receivable – related party consists of \$50.6 million in loan interest receivable from PE Titan III, a related party.

Changes to the Company's interest receivable – related party in the years ended December 31, 2019 and 2018 are as follows:

Opening balance as at March 8, 2018	\$ -
Loan interest receivable recorded in the period	1.3
Ending balance as at December 31, 2018	\$ 1.3
Loan interest receivable recorded in the period	49.3
Ending balance as at December 31, 2019	\$ 50.6

Notes to the Annual Financial Statements

Year Ended December 31, 2019

In millions of U.S dollars and millions of shares

6. Loans receivable – related party

Loans receivable – related party consists of \$634.5 million in loans receivable from PE Titan III, a related party.

Changes to the Company's loans receivable – related party in the years ended December 31, 2019 and 2018 are as follows:

Interest-bearing credit facilities – Non-current assets		
Opening balance as at March 8, 2018	\$	-
Loans made to PE Titan III		634.5
Loan repayments		-
Ending balance as at December 31, 2019 and 2018	\$	634.5
Non-interest bearing loans – Current assets		
Opening balance as at March 8, 2018	\$	-
Loan made to PE Titan III		916.2
Loan repayments		(9.4)
Conversion to interest bearing credit facilities		(634.5)
Ending balance as at December 31, 2018	\$	272.3
Conversion of loans payable into ordinary share		(272.3)
Ending balance as at December 31, 2019	\$	-

On March 28, 2018, the Company made a non-interest-bearing loan to PE Titan III in the amount of \$916.2 million (the "PE Titan III Loan"). The PE Titan III Loan was due and payable on demand and did not bear interest.

On November 21, 2018, PE Titan III repaid \$9.4 million of the PE Titan III Loan.

On December 21, 2018, the Company provided PE Titan III with the following credit facilities in satisfaction of \$634.5 million of the remaining \$906.8 million of the PE Titan III Loan;

- A credit facility with a limit of US\$362.7 million for general corporate purposes. Any amounts advanced under the facility bear interest at an annual rate of 7% based on a 360-day year. Interest is compounded the last day of each consecutive three-month period. This credit facility is due on December 21, 2025.
- A credit facility with a limit of US\$272.0 million for general corporate purposes. Any amounts advanced under the facility bear interest at an annual rate of 8% based on a 360-day year. Interest is compounded the last day of each consecutive three-month period. This credit facility is due on December 21, 2026.

The assets are recorded at fair value on initial recognition and at amortized cost in subsequent periods.

On May 19, 2019, the Company converted \$272.3 million of the PE Titan III Loan into one ordinary share of PE Titan III, which has been recorded in the Company's statement of financial position as an investment in subsidiary.

7. Investment in subsidiary

On May 19, 2019, the Company obtained one ordinary share of PE Titan III in exchange for \$272.3 million of non-interest bearing loan, which has been recorded in the Company's statement of financial position as investment in subsidiary.

Opening balance as at March 5, 2018	\$	-
Conversion of non-interest bearing loans into ordinary share		272.3
Ending balance as at December 31, 2019	\$	272.3

8. Income taxes

The major components of income tax expense for the year ended December 31, 2019 and the period from March 8, 2018 to December 31, 2018 are as follows:

Expense included in profit or loss	For the Year Ended December 31, 2019	For the Period March 8, 2018 to December 31, 2018
Current income taxes	\$ -	\$ -
Deferred income taxes	-	-
Income tax expense recognized in profit or loss	\$ -	\$ -

Notes to the Annual Financial Statements

Year Ended December 31, 2019

In millions of U.S dollars and millions of shares

The provision for income taxes that would be obtained by applying the United Kingdom statutory income tax rate is as follows:

	For the Year Ended December 31, 2019	For the Period March 8, 2018 to December 31, 2018
Net income before income taxes	\$ 49.3	\$ 1.3
United Kingdom statutory tax rate	19.0%	19.0%
Expected income tax expense at statutory rate	\$ 9.4	\$ 0.2
Adjustments:		
Losses claimed from subsidiary for group relief	\$ (9.4)	\$ (0.2)
Effective income tax expense	\$ -	\$ -

9. Fair value measurements

The carrying amounts and the estimated fair values of the Company's financial assets that qualify as financial instruments are as follows:

	As at December 31,			
	2019		2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Loans receivable – related party	\$ 634.5	\$ 634.5	\$ 634.5	\$ 634.5
Loans receivable – related party	-	-	272.3	272.3
Total financial assets	\$ 634.5	\$ 634.5	\$ 906.8	\$ 906.8

The fair value represents the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying amount for cash and cash equivalents and interest receivable – related party, approximates fair value for the years presented due to their short-term maturity and a demand feature.

10. Long-term debt – related parties

Opening balance as at March 8, 2018	\$ -
Borrowings on on-demand facility from parent	672.2
Borrowings on on-demand facility from a shareholder	244.0
Loan repayments	(155.8)
Conversion of loans payable into ordinary shares	(760.4)
Ending balance as at December 31, 2019 and 2018	\$ -

On March 28, 2018, the Company borrowed \$672.2 million via a demand facility from PE Titan, the Company's parent (the "Parent Demand Loan"). The Parent Demand Loan was due and payable on demand and did not bear interest.

On March 28, 2018, the Company borrowed \$244.0 million via a demand facility from a shareholder of the Company (the "Shareholder Demand Loan"). The Shareholder Demand Loan was due and payable on demand and did not bear interest.

On September 26, 2018, the Company repaid \$55.9 million of the Shareholder Demand Loan and \$90.7 million of the Parent Demand Loan.

On December 6, 2018, the Company repaid \$2.5 million of the Shareholder Demand Loan and \$6.7 million of the Parent Demand Loan.

On December 21, 2018:

- The shareholder converted the remaining \$185.6 million of the Shareholder Demand Loan outstanding in exchange for 146,371,276.5 million ordinary shares of the Company; and
- PE Titan converted the remaining \$574.8 million of the Parent Demand Loan outstanding in exchange for 453,266,013.1 million ordinary shares of the Company.

Notes to the Annual Financial Statements

Year Ended December 31, 2019

In millions of U.S dollars and millions of shares

11. Ordinary and preference shares

Ordinary shares

At inception on March 8, 2018, the authorized share capital of the Company consisted of 99.9 million ordinary shares at £.000001 par value and one preference share at £.000001 par value.

On December 21, 2018 the Company passed a Special Resolution authorizing share capital of 716,787,919.2 million ordinary shares.

Each Ordinary share is entitled to one vote and the ordinary shares are not redeemable.

Preference shares

The holders of preference shares shall not be entitled to receive notice of, attend or vote at a general meeting of the Company. The preference shares have no dividend or distribution rights, other than those prescribed for in the articles of association. If the Company is wound up, the surplus assets of the Company available for distribution among the members must be applied in the order of priority as prescribed for in the articles of association. The Company shall redeem each preference share on the earlier of: the 20th anniversary of the issue date for the share, the Company giving notice to the preference shareholder, or the preference shareholder giving notice to the Company. On the redemption date, the Company shall pay the preference shareholder the nominal value of the preference share (£0.000001 per share).

	Preference shares		Ordinary shares		Share premium
	Shares	Amount	Shares	Amount	
Balance as at March 8, 2018	-	\$ -	-	\$ -	\$ -
Issuance of shares for cash at inception	-	-	100.0	-	-
Issuance of shares for cash to investor	-	-	115,608,760.0	115.6	31.0
Issuance of shares to repay loans payable	-	-	599,637,289.5	599.6	160.8
Balance as at December 31, 2019 and 2018	-	\$ -	715,246,149.5	\$ 715.2	\$ 191.8

On March 8, 2018, at inception, the Company issued one ordinary share to PE Titan.

On March 28, 2018, PE Titan subscribed for 74.1 million ordinary shares and one preference share and Platinum Equity Capital QIQ Partners International IV (Cayman), L.P. ("PECQIQ") subscribed for 25.9 million ordinary shares.

On December 21, 2018, the Company issued:

- 115,608,760.0 million ordinary shares for \$146.6 million in cash;
- 146,371,276.5 million ordinary shares to offset \$185.6 million of the Shareholder Demand Loan outstanding; and
- 453,266,013.1 million ordinary shares to offset \$574.8 million of the Parent Demand Loan outstanding.

As at both December 31, 2019 and 2018, the Company had 715,246,149.5 million ordinary shares issued and outstanding and one preference share issued and outstanding.

12. Interest income

The Company recorded \$49.3 million and \$1.3 million in interest income from related party loans for the year ended December 31, 2019 and the period from March 8, 2018 to December 31, 2018.

13. Non-cash investing and financing activities

During 2018, the Company issued ordinary shares in satisfaction of \$760.4 million of loans payable.

14. Risk management

The Company's principal financial assets include investment in subsidiary, interest receivable – related party, loans receivable – related party, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk, and interest rate risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for

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Year Ended December 31, 2019

In millions of U.S dollars and millions of shares

speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to perform its obligations causing a loss for the other. The Company's financial assets exposed to credit risk consist primarily of cash and cash equivalents, interest receivable – related party, and loans receivable – related party.

Liquidity risk

Liquidity risk is the risk that the Company will have difficulty meeting its financial obligations as they come due. The Company manages liquidity risk by preparing and monitoring forecasts to ensure that the Company has sufficient funds to meet its financial obligations and fund new business opportunities or other unanticipated requirements as they arise. The Company manages this risk by monitoring PE Titan III's performance.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate with changes in market interest rates. The Company is primarily exposed to interest rate risk through its loans receivable from PE Titan III. The interest rates related to the loans receivable from PE Titan III are fixed.

15. Indemnifications

In the ordinary course of business, the Company has entered into agreements that include indemnifications in favour of third parties related mainly to lending agreements. Such agreements do not specifically quantify the Company's liability and, therefore, it is not possible to estimate the potential liability under these indemnities. Historically, the Company has not made any significant payments under indemnifications provided in the ordinary course of business.

16. Related party disclosures

The Company is majority owned by PE Titan. PE Titan is wholly owned by certain private equity investment funds advised by Platinum Equity Advisors, LLC ("Advisors"), a limited liability company organized in Delaware, United States (collectively, "Platinum"). Platinum is ultimately controlled by Platinum Equity, LLC ("Platinum Equity").

The Company's wholly-owned subsidiary, and its indirect wholly-owned subsidiaries, are as follows:

Legal name	Country of incorporation	Registered address	Class of shares held	Ownership %	Ownership
PE Titan Holding III Limited	United Kingdom	100 New Bridge Street, London, United Kingdom, EC4V 6JA	Ordinary shares	100%	PE Titan Holding II Limited
Titan I Holding Limited	Canada	Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8	Class A, Class B and Series 2 Class B common shares	96.7% 3.3%	PE Titan Holding III Management
Titan II Holding Limited	Canada	Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8	Class A common shares and Class A preferred shares	80% 20%	Titan I Holding Limited Titan V Finance Holding Limited
Titan III Holding Limited	Canada	Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8	Common shares	100%	Titan II Holding Limited
Titan IV Holding Limited	Canada	Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8	Common shares	100%	Titan III Holding Limited
Titan V Finance Holding Limited	Canada	Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8	Class A preferred shares and common shares	100%	Titan I Holding Limited
Titan Co-Borrower, LLC	United States	1209 Orange Street Corporation Trust Center Wilmington, New Castle DE 19801 USA	Membership interest	100%	Husky Injection Molding Systems
Husky Injection Molding Systems Ltd.	Canada	Suite 1700, Park Place, 666 Burrard Street, Vancouver, B.C. V6C 2X8	Common shares	100%	Titan IV Holding Limited
Husky Injection Molding Systems Argentina S.A.	Argentina	c/o Zapiola 2375, Piso 6, Oficina "A", Ciudad Autonoma de Buenos Aires	Common shares	99.1% 0.9%	Husky IMS Ltd. Husky Injection Molding Systems B.V.
Husky Injection Molding Systems ANZ Pty Limited	Australia	Suite A40B, Level 5 24 Lexington Drive Norwest Business Park Bella Vista NSW 2153 Australia	Ordinary shares	100%	Husky IMS Ltd.
Husky Injection Molding Systems Austria (GmbH)	Austria	Brunnerstrasse 38 A-380 Waldhofen an der Thaya Austria	Capital		Husky IMS S.A.
Husky Injection Molding Systems (Belgium) S.A.	Denmark	c/o 6700 Arlon, Avenue General Patton, 52	Common shares	100%	Husky IMS S.A.

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Year Ended December 31, 2019

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Legal name	Country of incorporation	Registered address	Class of shares held	Ownership %	Ownership
Husky do Brazil Sistemas de Injecao Ltda.	Brazil	Rod. Dom Gabriel Paulino Buena Cuota, KM 66.5 13216 - 990 Jundai SP, Brazil P.O. Box 2503	Quotas	99.999997% 0.000003%	Husky IMS Ltd. Husky IMS Colombia Ltd.
Husky Injection Molding Systems B.V. (Netherlands)	Netherlands	c/o Atrium Building, 8th Floor Strawinskylaan 3127 1077 ZX, Amsterdam	Common shares	100%	Husky IMS S.A.
Husky Injection Molding Systems (India) Private Limited	India	P-47, VIII Avenue Domestic Tariff Area Mahindra World City Chengalpet 603002 Tamilnadu, India	Equity shares	99.999998% 0.000002%	Husky IMS Singapore PTE Husky Injection Molding Systems B.V.
Husky Injection Molding Systems (Chile) S.A.	Chile	c/o Av. Nueva Tajamar 481 Torro norte, piso 21 Las Condes, Santiago Chile	Common shares	99.99% 0.01%	Husky IMS Ltd. Husky IMS Colombia Ltd.
Husky Injection Molding Systems Colombia Ltd.	Canada	c/o Ceron Alvarez & Associates Ltda. Cra 13 No 93-40 Of. 303 Bogota, Colombia	Common shares	100%	Husky IMS Ltd.
Husky Injection Molding Systems (Nordic) A/S	Denmark	Orestads Boulevard 73 DK-2300 Copenhagen Denmark	Common shares	100%	Husky IMS S.A.
Husky Injection Molding Systems S.A.R.L.	France	c/o 31 cours de Verdun 01100 Oyonnax France	Common shares	100%	Husky IMS S.A.
Husky Spritzgeiss - System GmbH	Germany	c/o Adelungstrasse 23 64283 Darmstadt Germany	Capital	100%	Husky IMS S.A.
Husky Injection Molding Systems Private Limited	India	P-47, VIII Avenue Domestic Tariff Area Mahindra World City Chengalpet - 603002 Tamilnadu, India	Equity shares	100%	Husky IMS (India) Private Limited
Husky Injection Molding Systems (Israel) Ltd.	Israel	P.O.B. 3593 Haeshel St. 7, Zone 2 Caesarea Industrial Park, 38900 Israel	Common shares	100%	Husky IMS S.A.

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Legal name	Country of incorporation	Registered address	Class of shares held	Ownership %	Ownership
Husky Italia S.r.l.	Italy	c/o Viale Monte Nero n. 84 20123 Milano Italy	Capital	100%	Husky IMS S.A.
Husky Corporation	Japan	5-10-1 Minami Machida Machida-SHI Tokyo 194-0005	Common shares	100%	Husky IMS Ltd.
Husky Injection Molding Systems Korea Inc.	Korea	Rm 1110, Ace Twin Tower 1 212-1, Guro-3dong Guro-gu Seoul, Korea 152-848	Common shares	100%	Husky IMS Ltd.
Husky KTW GesmbH	Austria	Brunnerstrasse 38 A-3830 Waidhofen an der Thaya Austria	Capital	95% 5%	Husky IMS Austria GmbH Husky IMS S.A.
Husky, KTW s.r.o	Czech Republic	Dolní Pena 200 377 01 Jindrichuv Hradec Czech Republic	Capital	100%	Husky-KTW GesmbH
Husky-KTW GmbH (inactive as of 1/30/2018)	Germany	c/o An der Wiesenbuhle 17 09224 Chemnitz-Gruna Germany	Capital	100%	Husky-KTW GesmbH
Husky Injection Molding Systems Malaysia SDN. BHD.	Malaysia	c/o Suite 13.03, 13 th floor Menara Tan & Tan 207 Jalan Tim Razak 50400 Kuala Lumpur	Common shares	100%	Husky IMS Ltd.
Husky Injection Molding Systems Mexico, S.A. de C.V.	Mexico	Avenida Prolongacion Paseo de la Reforma #1236 Piso 1 Colonia Santa Fe Cuajimalpa CDMX CP 05348	Common shares	99.994% 0.006%	Husky IMS Ltd. Husky IMS Colombia Ltd.
Husky Injection Molding Systems (Philippines), Inc.	Philippines	16 th floor, 1601 Robinsons Summit Center 6783 Ayala Avenue Makati City, Philippines	Common shares	99.9936% 0.0064%	Husky IMS Ltd. directors
Husky CIS Limited Liability Company	Russia	Kuskovskaya ul, 20A Block A, 5 th floor of. 511 111141 Moscow, Russia	Charter capital	100%	Husky IMS B.V.

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Year Ended December 31, 2019

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Legal name	Country of incorporation	Registered address	Class of shares held	Ownership %	Ownership
Husky Injection Molding Systems S.A.	Luxembourg	Zone Industrielle Riedgen. B.P. 93, L-3401 Dudelange Luxembourg	Preferred shares	100%	Husky IMS Luxembourg Capital S.a.r.l.
Husky Injection Molding Systems Luxembourg Finance S.a.r.l.	Luxembourg	Zone Industrielle Riedgen B.P. 93, L-3401 Dudelange Luxembourg	Ordinary shares	100%	Husky IMS Ltd.
Husky Injection Molding Systems Luxembourg Holdings S.a.r.l.	Luxembourg	Zone Industrielle Riedgen B.P. 93, L-3401 Dudelange Luxembourg	Ordinary and Class 1, Class 2, and Class 3 preferred shares	100%	Husky IMS Ltd.
Husky Injection Molding Systems Luxembourg Capital S.a.r.l.	Luxembourg	Zone Industrielle Riedgen B.P. 93, L-3401 Dudelange Luxembourg	Capital	100%	Husky IMS IP Holdings S.a.r.l.
Husky Injection Molding Systems IP Holdings S.a.r.l.	Luxembourg	Zone Industrielle Riedgen B.P. 93, L-3401 Dudelange Luxembourg	Capital	100%	Husky IMS Lux Capital Sarl
Husky Injection Molding Systems Luxembourg IP Development S.a.r.l.	Luxembourg	Zone Industrielle Riedgen B.P. 93, L-3401 Dudelange Luxembourg	Capital	100%	Husky IMS Lux IP Holdings Sarl
Husky Injection Molding Systems (Shanghai) Ltd.	China Shanghai	Shanghai Technical Center 101 Ba Sheng Road China (Shanghai) Pilot Free Trade Zone P.R. China 200131	Registered capital	100%	Husky IMS Ltd.
Husky Injection Molding Systems (Shenzhen) Ltd.	China Shenzhen	#B, 1F, Building F3 Changfeng Industrial Park Liuxian San Road, Area 68 Boa'an District Shenzhen, PRC	Registered capital	100%	Husky IMS S.A.
Husky Injection Molding Systems Singapore PTE. Ltd.	Singapore	c/o 60, Paya Lebar Road #08-43 Paya Lebar Square Singapore 409051	Ordinary shares	100%	Husky IMS Ltd.

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Legal name	Country of incorporation	Registered address	Class of shares held	Ownership %	Ownership
Husky Injection Molding Systems (South Africa) Proprietary Limited	South Africa	22 Wellington Road Parktown, 2193 South Africa	Ordinary shares	100%	Husky IMS Ltd.
Husky Injection Molding Systems (Iberia) S.L.	Spain	c/o Ronda General Mitre 28-30 08017 Barcelona, Spain	Capital	100%	Husky IMS S.A.
Husky Injection Molding Systems (Thailand) Ltd.	Thailand	Muang Thai Phatra Complex Building, 20th floor Tower B 252/100 (Unit B) Rachadaphisek Road Huaykwang, Bangkok 10310	Ordinary shares	99.99% 0.001%	Husky IMS Singapore Pte. Ltd. nominee shareholders
Husky Injection Molding Systems (UK) Limited	United Kingdom	c/o First Floor Templeback 10 Temple Back Bristol, U.K. BS1 6FL	Ordinary shares	100%	Husky IMS S.A.
Husky Injection Molding Systems Inc.	United States	288 North Road Milton VT 05468	Common shares	100%	Husky IMS S.A.
Husky Injection Molding Systems Vietnam Company Limited	Vietnam	1DD Building 111 Ly Chinh Thang District 3 10 th Floor Ho Chi Minh City Vietnam	Capital	100%	Husky IMS Singapore Pte. Ltd.
Schottli AG	Switzerland	Industrie Grossholz 8253 Diessenhofen Switzerland	Common shares	100%	Mould Technologies Holding AG
Magor Mold, LLC	United States	420 South Lone Hill Avenue San Dimas, CA 91773	Limited liability interest	100%	Husky IMS, Inc.

Transactions with other related parties

All transactions are with related parties. There was no key management compensation for the year ended December 31, 2019 and the period from March 8, 2018 to December 31, 2018.

17. Ultimate controlling company and parent company of larger group

The Company's immediate parent undertaking is PE Titan, a company registered in England and Wales.

The Company is indirectly owned by Platinum. Platinum is ultimately controlled by Platinum Equity.

The smallest and largest group in which the results of the Company are consolidated is that headed by PE Titan. No other group financial statements include the results of the Company. The consolidated financial statements of the group are available to the public and may be obtained from 100 New Bridge Street, London, United Kingdom, EC4V 6JA.

18. Directors' remuneration

The Company, PE Titan III and all of the companies in the Titan Group (PE Titan, including its direct and indirect subsidiaries) have the same three directors, all of which are employed by Platinum. One of these directors will be paid approximately nine thousand seven hundred dollars annually beginning in 2019.

Three of the Husky Injection Molding System Limited ("Husky") entities have the same director, who is also employed by Platinum. This director will be paid five thousand dollars annually by each of the three Husky companies beginning in 2019.

The directors for the remaining Husky entities are Husky paid employees with the exception of nominee directors at Husky Injection Molding Systems Argentina S.A., Husky Injection Molding Systems (Philippines), Inc., and Husky Injection Molding Systems B.V. (Netherlands). The nominee directors are paid retainer fees that are not material.

There was no director remuneration incurred or paid for the year ended December 31, 2019 and the period from March 8, 2018 to December 31, 2018.

19. Subsequent events

On March 9, 2020, the Company's direct wholly-owned subsidiary, PE Titan III, repaid the interest-bearing loan in the amount of \$180.8 million (including the accrued interest of \$32.4 million). The Company used the proceeds from the loan repayment to make a capital distribution in the amount of \$180.8 million to its immediate direct parent, PE Titan, on March 9, 2020.